

Abstract of the Disclosure

The optimum royalty value of an intellectual asset is calculated using empirical data to determine an expected return on intellectual assets based on company history and industry averages (or medians). The value is calculated by determining the contribution to profit of intangible assets, deleting the contribution of assets other than intellectual assets from this contribution and deriving a base royalty rate from the difference. The contribution to profit of intangible assets may be based on publicly available information or on private company information. The method includes determining the weighted average of cost of capital in order to allocate the profits associated with intellectual assets.